



REPUBLIC OF ZAMBIA

MINISTRY OF AGRICULTURE AND COOPERATIVES

AGRICULTURAL MARKET DEVELOPMENT PLAN

Final Report

August 2004

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Preamble

“From the outset, it is important to emphasize that it is the market that drives production and not the other way round. We just have to get our markets right if we are to fully tap our massive potential in agriculture. The political will for this is massive. The challenge is thus for all of us to take advantage of this to develop our agricultural markets. This agricultural market development plan presents a consolidated approach to developing our markets to the required level. It recognises that government has a role to play in the market but that such a role should facilitate and not distort the market. The government’s role is to provide an enabling environment for markets to work while the role of the private sector is to perform efficiently and competitively within this enabling environment. What is needed now is action through public-private sector strategic partnerships....”, (Hon. Minister of Agriculture and Cooperatives, July 15 2004).

1. Introduction

The development of the agricultural sector is key to economic growth and poverty reduction in Zambia. The further development of agricultural markets will contribute towards revitalizing the agricultural sector. In the past, the government has instituted various programmes to encourage agricultural production but the development of agricultural markets was not sufficiently emphasised.

Government and the various stakeholders recognise the important role that a well developed market can play in the process of agricultural development. The agricultural market development plan has been developed to enhance agricultural market efficiency, recognizing the marketing constraints identified by the various stakeholders. The plan enhances coordination by ensuring complementary interventions by both private and public sectors.

This plan presents an overview of the agricultural market constraints and the necessary interventions to enhance existing agricultural market institutional support; policy and legal framework; and finance, investments and infrastructure.

2. Agricultural marketing constraints

Attainment of market development requires that certain conditions are in place. Several constraints need to be rectified before market development can be achieved. These constraints have been grouped into three broad categories – institutional; policy and legal; and finance, investment and infrastructure – each of which is outlined below.

2.1. Institutional constraints

A number of institutional constraints can be identified as hindering the operations and development of the agricultural markets in Zambia. In this section, a brief description of each of the key institutional hitches is provided.

2.1.1. There is a serious lack of sufficient and timely **market information** on the prices of agricultural products (particularly maize and other basic foodstuffs), and on the supply and demand thereof. Without necessary market information at the time it is needed for decision making, it is impossible for the key market participants to make informed decisions.

2.1.2. With the exception of maize, there is a general lack of an official set of **grades and standards** for many other commodities. Grades and standards are key for any commodity to access lucrative local, regional and international markets. The Zambian market also faces the challenge of key participants not being adequately sensitized about the importance of grades and standards, nor do graders have adequate knowledge to implement them.

2.1.3. Zambia does not have a self-regulating **association of grain traders**. This poses a problem for the individual traders, who often are very small and lack the ability to fully understand the market, let alone representing their interests to decision makers. An association that brings all the traders together has the potential to provide the competent voice of traders.

2.1.4. There is an absence of a mechanism to expeditiously settle trade related disputes, as the legal processes are costly and extremely slow. The slow pace at which the existing systems resolve trade-related disputes and high logistical and legal costs discourage most of

the aggrieved from pursuing their disputes. This has the risk of relegating the victims of the system to the way side while promoting and perpetuating untrustworthiness and dishonesty in the market place.

2.1.5. The Zambian agricultural market is comprised of many small-scale traders and producers, both of which do not have adequate capacity to participate effectively in the market. For example, there is inadequate capacity amongst small-scale traders to form an effective linkage between small-scale farmers and the large commercial sector, while small-scale farmers just lack the capacity to comprehend market signals and the intricacies of the market. This has made it impossible for many of the small-scale farmers to develop into medium and large-scale producers and for the small-scale traders to develop into medium and large scale traders.

2.1.6. There is a lack of an active agricultural commodity exchange that could trade forward contracts and ultimately futures and options. Forward contracts are important for reducing marketing (price, demand and supply) risk. Thus, they have the potential to benefit both sellers and buyers, enticing them to increase their level of participation in the market.

2.2. Policy and legal constraints

Besides institutional constraints, the Zambian agricultural market also faces basic structural constraints related to the policy and legal environment. Major ones are highlighted below.

2.2.1. There is a lack of a comprehensive agricultural marketing legal framework to guide the functions of the agricultural sector. This comprehensive agricultural market legislation should provide for, among other things, a body of agricultural market experts to advise the Minister of Agriculture on market related issues;

2.2.2. There is confusion and misunderstandings between the private sector and government regarding government market interventions for especially maize and other grains, and therefore a distrust and disinclination to invest in stocks and forward trading. This is especially exacerbated by the unpredictable nature of such interventions;

2.2.3. There are uncertainties about the role and operations of the Food Reserve Agency (FRA) and the interface between the FRA and the private sector.

2.2.4. There is the belief that government sets minimum prices for maize and that government has a duty to protect farmers against outside forces. This stifles the farmers' ability and initiative to search for and take advantage of opportunities presented by the market, while exposing them to unnecessary policy risks. The government also perpetually has to deal with shouldering this burden, often translating into serious budgetary implications.

2.2.5. Disruptive by-laws, notably levies by local authorities on agricultural products, while providing an alternative source of income in the wake of the councils' loss of central government grants and other traditional sources of income, such levies have been found to be highly distortionary as they increase the cost of agricultural marketing and decrease the farmer's profit potential¹.

2.2.6. Zambia lacks appropriate legislation to support a **warehouse receipt** system. A system of warehouse receipts and registered warehouses will ensure safe storage of agricultural commodities and inject operating capital into the marketing chain to the advantage of both commercial and small-scale farmers. A system of warehouse receipts is

¹ See Alley (2003), ZAMTIE (2003) and FSRP (forthcoming) for details of the adverse effects of local authority commodity levies on the agricultural marketing and the sector as a whole.

already in an advanced stage of development but needs a legislative framework within which to operate.

2.3. Finance, Investments, and Infrastructure

Supportive financial institutions, investments and infrastructure are extremely important as they increase market access and decrease the cost of marketing. All the categories of market infrastructure should be improved and/or upgraded.

2.3.1. In most rural areas, feeder roads are either very poor or virtually non-existent. Rail systems are even scarcer even though they could be used for transporting some of the bulky agricultural commodities. This makes the cost of moving commodities between markets very expensive and directly hinders the development of rural markets.

2.3.2. Telecommunication facilities are not widely distributed in the rural areas. These facilities are necessary for quick transfer of market and other information relevant for boosting the rural local economies.

2.3.3. High levels of theft of agricultural commodities greatly undermines the sense of ownership and property rights. In addition to directly threatening the very surpluses that should otherwise enter the market.

2.3.4. Limited access to electricity and water constrains productivity and marketable surpluses. Rural electrification, when combined with access to water, could boost production and market surpluses particularly through irrigation.

2.3.5. There is a shortage of **grain warehouses**, and especially bulk storing facilities, in certain localities (e.g. in Lusaka, Copperbelt, Central and localities in Eastern provinces). This limits the market players' ability to benefit from storing their merchandize and taking advantage of better prices and other market conditions at certain times of the marketing season. Limited access to good storage facilities also increases storage losses.

2.3.6. Current conditions in the financial sector do not favour agricultural development as market participants have limited access to credit. This is worsened by the fact that formal lending institutions charge prohibitively high interest rates that are themselves perpetuated, partly, by budget deficits and the resultant government borrowing. However, market development is almost impossible without liquidity, own or borrowed from the financial sector. Construction of private warehouses, and especially bulk warehouses, for example, is expensive and requires long term financing (which is currently not available).

3. Objectives

To address the constraints discussed above, the agricultural market development plan (AMDP) has adopted the following objectives.

Under the Poverty Reduction Strategy Paper (PRSP) for which government has adopted and is currently implementing, the overall objective of the sector is to promote development of an efficient, competitive and sustainable agricultural sector which ensures food security and increased income.

The specific objective of this agricultural market plan is to develop an efficient and functioning private sector-driven agricultural marketing system in Zambia.

4. Activities and Expected Results

The government and the various stakeholders need to pursue a number of activities to develop the agricultural market. The broad activities were prioritized according to short term, medium term and long term. Some of the activities could be implemented immediately while others could take longer. Some of the immediate activities could be implemented without a heavy financial requirement. Some would require further development through preparation of concept papers and further consultation and research. Yet others will require substantial financial resources and consistent political commitment from all stakeholders.

4.1. Institutional Issues (immediate to medium)

The agricultural market is served by many institutions that are currently not performing to the requirement of an efficient market. To implement any marketing strategy, it is important that institutions assigned with such responsibilities are capable of delivering the required results.

The aim is to strengthen the existing market support functions and correct their deficiencies in order to create a conducive environment for the agricultural market to function efficiently. This will enable the country to achieve the following results:

- Credible, timely and widely distributed market information
- Widely used grades and standards
- Enhanced capacity of key stakeholders to effectively participate in and/or facilitate the market
- Enhanced enforcement of market rules and contracts

Activities to achieve the above results are discussed in detail below.

4.1.1. *Market Information Widely Distributed*

Market information is an extremely important component of the market. The information must be relevant, credible, timely, widely distributed, and as accurate as possible within the scope of the country's resources. It is recommended that the following activities be undertaken:

4.1.1.1. Timely and adequate funding of agricultural surveys

Timely data on stock levels, stock location and prices should be readily available to consumers, producers, millers and traders. This is needed for effective planning, monitoring and designing appropriate interventions related to business and national food security.

Due to funding constraints it is recommended here that only one crop forecast survey is implemented, the results of which must be available by the end of April. Noting that

there is delayed parliamentary approval of the national budget, it is further recommended that the Ministries of Agriculture and Cooperatives and Finance and National Planning should ensure timely funding for crop forecast surveys by including the funding in the annual Presidential warrant.

The post-harvest survey does not need a Presidential Warrant as it is implemented after the national budget has been finalized. However, the PHS should be adequately funded to enable the results of the survey to be ready by the end of October.

4.1.1.2. Harmonization of market information systems

Market information is the responsibility of the Ministry of Agriculture and Cooperatives (MACO) and must be generated and disseminated by, or under the direction of, MACO. In this regard, MACO must harmonize the existing market information systems.

4.1.1.3. Market Research

Market research is important to guide the implementation process as well as for prioritizing alternative interventions. The research agenda should be demand driven through regular consultation with stakeholders. There is need to support data collection, analysis and dissemination of market research findings.

4.1.2. Grades and standards in place and widely used

Grades and standards facilitate trading and are an important element of an efficient agricultural market. While maize grades and standards have been updated and published by the Zambia Bureau of Standards (ZBS, 2004), it is recommended that grades and standards for other commodities should also be developed, disseminated and enforced through a user-based system. There is need to have independent laboratories to check grades in an event of disputes.

4.1.2.1. Sensitization, Training and Dissemination

The use of grades and standards should be widely encouraged. This will require instituting sensitization activities focusing on why it is important to follow these grades and standards. One of the advantages to be cited is the fact that higher grades will earn a premium, in addition to having greater access to local and export markets.

One of the key areas requiring immediate attention is the training of certified graders. This will help avoid conflicts where buyers and sellers do not agree on the quality for the commodity. Training should be made available to all relevant role players including farmers, traders, consumers, processors and other industrial users. A system for the certification of graders be developed.

4.1.3. Enhanced capacity of market players

Most stakeholders do not have adequate capacity to participate in efficient markets. To attain agricultural market development, many of the participants need to have their marketing skills and capacity enhanced.

4.1.3.1. Traders Association

Given the important role of traders in the development of efficient agricultural production and marketing, it is recommended that traders form a self-regulating traders' association to promote commodity trading, to develop sound trading rules and regulations, to encourage the development of small-scale traders, and to represent the traders to government and other role players on common issues. Formation of such associations will require that capacity be enhanced among key stakeholders. Formation of such an association will ensure that capacity to participate fully in the market is enhanced among key stakeholders.

4.1.3.2. Development of medium-scale traders

In order to ensure proper competition for the produce of small-scale farmers, it is essential that the trading capacity of existing small-scale traders is improved to become medium scale traders. It is, therefore, recommended that small-scale traders that meet specific criteria are identified, trained in business ethics, encouraged and assisted to gain access to finance.

4.1.3.3. Small-scale farmers

Small-scale farmers are currently weak sellers of maize and other products and therefore suffer unduly poor prices for their produce. They tend to offer their produce in small quantities, they do not grade their produce, and they are cash strapped at time of harvest. It is recommended that they be encouraged to become stronger sellers by building their capacity in the following areas:

- a) Encouraging the development of farmer groups and cooperatives to bulk-up the farmers' produce, to clean and grade it, and to identify good markets
- b) Assisting such groups and cooperatives access finance, such as, warehouse system and financial institutions.
- c) Guiding the farmer groups and cooperatives to grow into profit-orientated businesses with competent managers to achieve maximum benefit for their members.
- d) Small-scale farmers with potential to grow be identified and their needs for business training determined
- e) Women as key players in the agricultural sector need to have as much access to markets as their male counterparts.

4.1.3.4. Medium-scale farmers

In many areas the production of agricultural produce is widely scattered in small lots. The development of efficient markets in those areas will encourage more farmers to become emergent and increase their marketable surplus. It is therefore recommended that:

- a) MACO focuses its farmer development programmes on medium-scale farmers that have the potential to develop into commercial farmers;
- b) The potential large-scale farmers be identified and their needs for business training be determined;
- c) specific programmes be designed to fast-track the development of these farmers towards self-sustaining commercial production; and
- d) medium-scale farmers be assisted to obtain title to their lands, as this will help them to create a basis for production and trade financing.

4.1.3.5. Arbitration mechanisms

In Zambia, trade disputes occasionally occur. These disputes must be resolved as quickly and as cost effectively as possible. However, arbitration institutions have limited capacity to facilitate an effective and efficient case disposal. Such capacity needs to be enhanced among all key players such as farmers, traders and arbitrators both through an enhanced legal framework and technical competence. The specific bottlenecks and types of capacity that need to be enhanced will be identified and are likely to differ by commodity and market.

4.2. Policy and legal issues (immediate to medium term)

Development of an agricultural market requires a strong policy and legal framework to guide the marketing activities and players.

4.2.1. *Agricultural Marketing Act Enacted*

The agricultural sector has a number of unrelated pieces of marketing legislation. This does not provide a good environment for the evolution of an efficient market. It is proposed that all commodity-specific pieces of legislation (or Acts) are reviewed and harmonized under the Agricultural Marketing Act. In addition, the proposed Act should be in line with the overall agricultural marketing policy. The following specific actions are recommended:

4.2.1.1. Establishment of the agricultural marketing council.

To enhance market coordination and improved policy direction, it is recommended that:

- a) An Agricultural Marketing Council be established under the Agricultural Marketing Act as a statutory body to advise government on market related issues, to monitor and analyse the performance of the agricultural market, and to investigate and advise on all statutory interventions in the market.
- b) The proposed Agricultural Marketing Council should be a lean body comprising public and private representatives. A diverse group of experts from

both the private and public sectors is much more appropriate and better placed to tackle market challenges in a holistic manner than any single player in the market.

- c) The members of the council be appointed by the Minister of Agriculture and Cooperatives in consultation with organisations representing the role players in the agricultural markets (e.g. farmers, traders, processors, consumers, NGO's and others).

4.2.1.2. Realigning the Food Reserve Agency

- a) It is recommended that the Food Reserve Agency (FRA) retains the following functions:
 - i) Administer national food reserves through an innovative mix of private and public physical and/or financial reserves.
 - ii) Establish and conduct a programme under which storage facilities owned by the government may be leased or sold
 - iii) Assessment of storage requirements for marketing a designated commodity and planning for their establishment as needed
 - iv) Undertake such other functions as the minister may assign to the agency in consultation with the Agricultural Marketing Council
- b) These functions should be performed under the following principles:
 - i) The buying and selling modalities and other operations of the Food Reserve Agency be transparent and must not disrupt the functioning of the markets;
 - ii) The FRA's marketing modalities be announced in accordance with the FRA Act;
 - iii) The FRA facilitates the development of the private sector (including cooperatives) by contracting them, where feasible, to buy, store and sell the reserves on its behalf and does not trade commercially in competition with the private sector
 - iv) The FRA, as far as possible, should be active in the marketing of designated products in areas where at the present time the private sector is not very active but where commercial agricultural potential exists. The thrust should be for the FRA to promote crop diversification and to develop cooperatives and traders so that the latter can eventually take over these marketing functions.
- c) It is recommended that the FRA discontinues the following functions:
 - i) Establishment and operating of a market information system for agricultural food commodities and agricultural inputs. This function should be reallocated to MACO
 - ii) Promotion of the use of weighing and grading standards approved under the Weights and Measures Act and the Standards Act for designated commodities. This function

should be the preserve of existing institutions, such as Zambia Bureau of Standards (for grades) and ASIZE (for weighing).

- iii) Establishment of a programme under which traders and processors shall register and report, for statistical purposes, information on the stocks of agricultural commodities handled or held by them. This function should be reallocated to MACO.

4.2.1.3. Price determination

The market, and not the government, determines prices. Government does not set minimum prices for agricultural products, and neither does it encourage the production of agricultural products in areas where they are not economically viable. In order to prevent confusion in this regard, the FRA's buying and selling prices must be announced by the FRA and in accordance with the FRA Act, which provides for protection of the private sector, including farmers.

4.2.1.4. Warehouse Receipt System

A proper system of warehouse receipts and registered warehouses will ensure safe storage for agricultural commodities and inject operating capital into the marketing chain to the advantage of both commercial and small-scale farmers. Given that a system of warehouse receipts for maize is already in an advanced stage of development, it is recommended that:

- a) The amendment of the Agricultural Credit Act to provide for the warehouse receipt system as drafted, be finalised and tabled for enactment;
- b) The use of warehouse receipts be widely advertised and promoted by all role players; and especially financial institutions be encouraged to support the receipts.
- c) The activities of the FRA and the Warehouse Receipt System under the Zambian Agricultural Commodity Agency (ZACA) should be harmonized.

4.2.1.5. Regional and International Trade

MACO, in conjunction with other relevant government institutions, should actively promote the export of agricultural products. In this regard the Ministry should collaborate with the Export Board of Zambia (EBZ) and the private sector to promote the export of Zambian agricultural products. The government should also recognize and take advantage of the opportunities presented by regional and international trade groupings, such as COMESA Free Trade Area, SADC Trade Protocol and WTO.

4.2.1.6. Registration of market participants

MACO shall, in accordance with the Agricultural Marketing Act register traders, warehouse operators and processors of designated agricultural products. The register should be updated regularly.

4.2.2. Council Levies Abolished

With the function of collecting taxes reallocated to Zambia Revenue Authority (Local Government Act of 1992), and loss in central government grants and other traditional income sources, local authorities have since 1994 found it prudent to institute agricultural commodity levies as a source of revenue.

Council levies on agricultural products have been found to be highly distortionary as they increase the cost of agricultural marketing, distort trade and decrease the farmer's profit potential².

4.2.2.1. Amendment of Local Government Act

It, therefore, recommended that in the interest of agricultural market development that the agricultural commodity levies imposed by local authorities be abolished and the Local Authorities Act be amended to reflect and enforce this.

In order to ensure continued operations of the local councils as a result of repealing of the Local Government Act, other viable alternative sources of income should be identified.

4.3. Finance, Investments and Infrastructure (Medium- to Long-Term)

4.3.1. *Financial Institutions Supporting Markets*

Financial institutions currently charge the agricultural sector high interest rates and provide only short term agricultural loans. The insurance sector equally charges high premiums for agricultural insurance. The main problem appears to be high perceived risks and a lack of instruments with which to manage them. An additional problem may be a lack of understanding of marketing instruments like warehouse receipts. It is therefore recommended that the banking and insurance companies be encouraged to become more involved in the development of the agricultural markets and to create new instruments with which to finance agriculture, including setting financial institutions in rural areas.

4.3.2. *Commodity Exchange Systems Enhanced*

The development of an active agricultural commodity exchange will be an important step in the further development of agricultural markets. Such an exchange can, however, not be artificially created and should evolve as a natural outflow of marketing activities. Nevertheless, when the time is appropriate, the development of such an exchange should be encouraged. The full participation of sellers, buyers and the financial sector in this process is extremely important.

4.3.3. *Agricultural Market Financing Facility Established*

To circumvent the liquidity problem, especially for small- and medium-scale traders, a financing facility should be created that will provide credit at relatively low interest rates to would-be market participants. Such a facility could be used to finance private

² See Alley (2003), ZAMTIE (2003) and FSRP (forthcoming) for details of the adverse effects of local authority commodity levies on the agricultural marketing and the sector as a whole.

warehouse construction, trading activities, grading equipment and all other agricultural marketing related equipment and materials.

4.3.4. Market Infrastructure Developed

The development of infrastructure, and particularly transport infrastructure, is extremely important as it will increase access to markets and decrease the cost of marketing. Upgrading of trunk and feeder roads should be regarded as a high priority, especially in areas of high agricultural production potential. MACO must take a leading role in the prioritisation process, which in itself will require on-the ground information to be generated through appropriate feasibility studies. Where conditions permit, increased use of water transport should be explored. The railway system be made more efficient and secure, and even be extended to the most productive areas.

Telecommunication facilities can facilitate quick transfer of market and other information. MACO should initiate consultations with the Ministry of Transport and Communication to identify the most effective ways of making this service as widely available in rural areas as possible.

To avert the problem of thefts in agricultural areas, police posts should be erected and well-equipped to step up security and foster law enforcement.

5. Way Forward

To guide the implementation of the agricultural market development plan, the following documents have been attached:

1. A detailed implementation schedule
2. A logical framework; and
3. A budget

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Appendix A. Action plan in a logical framework

A. Existing programs and functions

Narrative summary	Verifiable indicators	Means of verification	Important assumptions and risks	Done by (Date)	Implementing institutions	Estimated cost (USD)
Immediate objective: To develop an efficient and functioning (private sector driven) agricultural marketing system in Zambia						
Output 1.1: Credible, timely and widely distributed market information in place						
Activities:						
1.1.1 Harmonization of market information system						
1.1.1.1 Identify organizations collecting market information				July 2004	MACO, Working Group on Market Information	
1.1.1.2 Compare information collected by different institutions						
1.1.1.3 Coordinate market information activities				August 2004	MACO	

A. Existing programs and functions continued

1.1.2 Timely and adequate funding for agricultural surveys					MACO	
1.1.2.1 Request for presidential warrant for crop forecast					MACO	
1.1.2.2 Sensitize and lobby MOFNP to disburse funds for PHS timely					MACO	
1.1.3 Research and development					MACO	
1.1.3.1 Sensitize the government on the need to support market R&D	o				MACO	
1.1.3.1 Create private sector demand for and desire to support market R&D	o				MACO	
Output 1.2: Grades and standards in place and widely used						
Activities:						
1.2.1 Sensitize key stakeholders on the need to adhere to grades and standards						
1.2.2 Formalize training courses for graders and other actors				July 2004	MACO, ZACA	

1.2.2.1 Workshop on the certification programme for grain graders				July 2004	MACO, ZACA	
1.2.3 Develop and gazette grades and standards for non-maize crops						
1.2.4 Disseminate information on grades and standards to all stakeholders						
Output 1.3: Enhanced capacities of key stakeholders to effectively participate in and/or facilitate the market					MACO, UNZA, CBU, NGOs	
Activities:						
1.3.1 Traders' Association						
1.3.1.1 Finalization of Traders' Association constitution, rules and regulations				July-August 2004	MACO, Traders' Association, Private traders	
1.3.2 Arbitration mechanisms				July 2004	MACO, ZACA, MOJ, ZCDR	
1.3.2.1 Final negotiations with Zambia Centre for Dispute Resolution (ZCDR)				July 2004	MACO, ZCDR, ZACA, Traders' Association, Private traders	

1.3.2.2 Finalization and legalization of Grain Trading Contract				July 2004	MACO, MOJ, ZCDR, ZACA, Private traders, processors	
1.3.2.3 Finalization of training course for grain trader arbitrators				August 2004	MACO, MOJ, ZCDR, ZACA, Traders' Association, Private traders	
1.3.3 Medium-scale traders						
1.3.3.1 Preliminary trade costing				June 2004	MACO, Consultant, Private traders, policy/trade research projects	
1.3.3.2 Planning workshop				July 2004	Private traders, FRA, commercial banks, trade projects	
1.3.3.3 Policy paper on assistance				August 2004	MACO	
1.3.3.4 Finalization of assistance programme				September 2004	MACO	

1.3.3.4 Implementation of assistance programme				January 2005	MACO, private traders, projects, NGOs	
1.3.4 Small-scale farmers						
1.3.4.1 Preliminary costing				June 2004	MACO, Consultant, ZNFU, NGOs, policy/trade research projects	
1.3.4.2 Planning workshop				July 2004	FRA, commercial banks, ZNFU, support projects	
1.3.4.3 Policy paper on assistance				August 2004	MACO, FRA, ZNFU, NGOs, projects	
1.3.4.4 Finalization of assistance programme				September 2004	MACO	
1.3.4.4 Implementation of assistance programme				January 2005	MACO, projects, NGOs	
1.3.5 Emergent farmers						

1.3.5.1 Concept paper	Concept paper prepared			October 2004	MACO, projects, NGOs, ZNFU	
1.3.6 Financial institutions	Financial institutions able to support agricultural marketing activities				MACO, ZACA, Bankers' Association	
Output 1.4: Enhanced enforcement of market rules and contracts					MACO, UNZA, CBU, NGOs	
Activities:						
1.3.1 Standardize trading contracts						
1.3.1.1 Finalization of Traders' Association constitution, rules and regulations				July-August 2004	MACO, Traders' Association, Private traders	
1.3.2 Make arbitration system more efficient and more effective				July 2004	MACO, ZACA, MOJ, ZCDR	
1.3.2.1 Empower local courts to expedite and dispose cases of disputes				July 2004	MACO, ZCDR, ZACA, Traders' Association, Private traders	

B. Legal issues

Narrative summary	Verifiable indicators	Means of verification	Important assumptions and risks	Commence	Implementing institutions	Estimated cost (USD)
Immediate objective: To develop an efficient and functioning (private sector driven) agricultural marketing system in Zambia						
Output 2: Conducive and harmonized legal framework in place – by 2005						
Activities:						
2.1 Formulation of marketing Act	ACT in place			Now		20,000
2.1.1 Establishment of marketing council	Council in place		<ul style="list-style-type: none"> Government will listen to an advisory body Council remains impartial and objective 		MACO,	
2.1.1.1 Discussion paper	Discussion paper prepared	Discussion paper		August 2004	Consultant	
2.1.1.2 Discussion workshop	Workshop done	Workshop		1 st half of September, 2004	MACO, MOJ	
TOR 2.1.1.3 Concept paper and	Concept paper prepared	Concept paper		End September 2004	Working group	
2.1.1.3 Incorporation into draft Crop Marketing Bill	Draft Bill reflecting council			End September 2004	MACO, MOJ	

B. Legal issues continued

2.1.2 Realigning of the FRA Act			○ Government will guarantee transparency in the operation of the FRA.			
2.1.2.1 Review of FRA	Review report prepared	Review report		On-going	MACO	
2.1.2.2 Reorganization plan	Reorganization plan prepared	Reorganization plan		October 2004	MACO	
2.1.2.3 Implementation	Realigned FRA to original mandate			November 2004	FRA Board	
2.1.3 Warehouse receipt system			○ .			
2.1.3.1 Finalization of draft amendment bill	Draft amendment bill prepared	Draft bill			ZACA	
2.1.3.2 Final amendment bill	Final amendment bill prepared	Amendment bill			MACO	
2.1.3.3 Tabling of bill	Bill tabled				MACO	
3.1.4 Harmonization of existing marketing legislation						
2.1.4.1 Review of existing marketing legislation	Review report prepared	Review report			MACO, MOJ	
overall 2.1.4.2 Incorporation into agricultural marketing bill	Agric marketing bill reflecting these	Content of agric marketing bill			MACO, MOJ	
3.1.5 Rules for markets, including property rights and contract enforcement	Rules clearly outlines	Ag. Marketing bill			MACO, MOJ	
2.1.5.1 Formulation of agric marketing rules	Clear rules	Report outlining marketing rules			MACO, MOJ	

B. Legal issues continued

overall 2.1.5.2 Incorporation into agricultural marketing act	Agric Marketing Act reflecting rules, arbitration mechanisms, etc	Content of agric marketing bill			MACO, MOJ	
2.1.6 Guaranteeing of land titles						
2.1.6.1 Review of existing land titling system	Review report prepared	Review report			MACO, MOJ, MOL	
2.1.6.2 Revise legislation and procedures to fast-track land title issuance	Land Act revised	Land Act			MACO, MOJ, MOL	
2.1.6.1 Sensitization and outreach workshops for all stakeholders (chiefs, private sector, govt)	Workshops held	Workshop reports			MACO, MOJ, MOL	
2.1.7 Draft Agricultural Marketing Bill	Draft Bill prepared	Draft Bill		End September 2004	Working group	
2.2 Undertake consultations with Ministry of Local Government, Ministry of Finance and National Planning, MACO and ZNFU on local levies – ongoing	Inter-ministrial consultations done		<ul style="list-style-type: none"> ○ All stakeholders willing to cooperate ○ Alternative sources of income for local governments will be found and pursued ○ 			10,000

B. Legal issues continued

2.2.1 Amend the Local Government Act						
3.2.1.1 Preparation of cab memo	Approved Cab memo	Conveyance of the cab memo	Cabinet will approve cab memo			
2.2.2 Develop and implement alternative sources of lost revenue to councils						
2.2.2.1 Review past studies on council levies (ZAMTIE, FSRP)	Review report prepared	Review report				
2.2.2.2 Follow-up studies appraising alternative sources of income, by geographical location	Appraisal reports prepared	Appraisal report				
2.2.2.3 Conduct workshops presenting appraisal results for respective localities	Workshops conducted	Number of workshops conducted				

C. Investment

Narrative summary	Verifiable indicators	Means of verification	Important assumptions and risks	Commence	Implementing institutions	Estimated cost (USD)
Immediate objective: To develop an efficient and functioning (private sector driven) agricultural marketing system in Zambia						
Output 3: Necessary private and public market infrastructure in place – by 2005						
Activities:						
3.1 Make medium and long term financing opportunities available to private sector					MACO, MOFNP, ZACA, Traders	
3.1.1 Establishment of agricultural market development fund	Fund in place and operational				MACO, MOFNP	
3.2 Broaden public infrastructure						
3.2.1 Develop and improve feeder roads in high production areas	Feeder roads available and in good state				MOWS, MOLG	

3.2.2 Improve rail network in the rural areas	Rail roads available and operational				MACO, MOFNP	
3.2.3 Develop telecommunication facilities	Telecommunication network in place				MACO, MOTC	
3.2.4 Establish rural police security posts	Rural police posts in place				MOHA	
3.2.5 Improve availability of electricity and water supply	Electricity and irrigation water readily available				MOE, MACO, MOLG	